

# Central Whidbey Island Fire-Rescue



## 2022 Proposed Budget-In-Brief

Professionalism • Integrity • Compassion • Excellence

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## Complete Proposed Budget & Long-Term Financial Plan

Access the [complete proposed budget](#), [long-term financial plan](#), and other detailed information on the district from our web site: [www.cwfire.org](http://www.cwfire.org).

## Mission, Vision, & Values

### Mission

Central Whidbey Island Fire & Rescue’s mission is to partner with our community to proactively reduce risk from fire, illness, injury and other hazards.

### Vision

The district’s vision is delivery of world class fire & rescue services.

### Values

The district’s governance, leadership, and operations are guided by our values of professionalism, integrity, compassion and excellence. These values have been woven throughout Central Whidbey Island Fire & Rescues human resources and operational processes.



Professionalism  
Integrity  
Compassion  
Excellence

World class fire  
& rescue service



## Budget Message

Thank you for supporting Central Whidbey Island Fire & Rescue (CWIFR)! The district is transparent and fiscally responsible, operates with a balanced budget, has passed all financial and accountability audits, and maintains a AAA bond rating from Standard and Poor's. CWIFR has also received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for eight consecutive years, evidence of our commitment to best practice and continual improvement in budgeting and financial practices.

The 2022 Adopted district budget increases general fund expenditures by 3.96% in part due increased personal services expense related to state and interstate wildland fire mobilization (absent this expense the budget increase would be 2.91%). This increased expense is fully reimbursed by the requesting state (e.g., WA, OR, CA). The district anticipates a 7.5% increase in AV (Island County Assessor, 2021) which will lower the general levy rate to \$1.04/\$1,000 and maintain the bond levy rate at \$0.18/\$1,000.

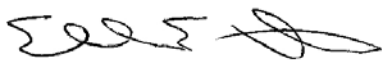
The district continues to see increasing demand for service, experiencing a 58.50 % increase in emergency calls in the past 10 years (2011-2020). Volunteer staffing has been limited but stable since 2016 and turnover among part-time firefighting staff continues to impact operations. Similar to other local governments in Washington, CWIFR lives with the 1% constitutional limitation on increases in property tax revenue.

Despite these challenges, CWIFR continues to make progress in improving our capability to provide service to the community in a fiscally prudent manner. In 2021, the district took delivery of three new type one fire engines, replacing vehicles that have reached the end of their lifespan. While delayed by the COVID-19 pandemic, the district will begin construction on replacement of the Race Road Fire Station in 2022.

CWIFR entered a negative cash flow in 2021 (revenue less than expense). The 2018 long term financial plan anticipated that the district would experience negative cash flow starting in 2019 and would have a sufficient general fund balance to continue current service levels through 2026. Increases in revenue and prudent fiscal management delayed entering negative cash flow and extended the timeframe over which current service levels can be maintained from 2026 to 2028.

CWIFR welcomes feedback on our budget document. Please contact me via e-mail ([ehartin@cwfire.org](mailto:ehartin@cwfire.org)), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,



Chief Ed Hartin, MS, EFO, FIFireE, CFO



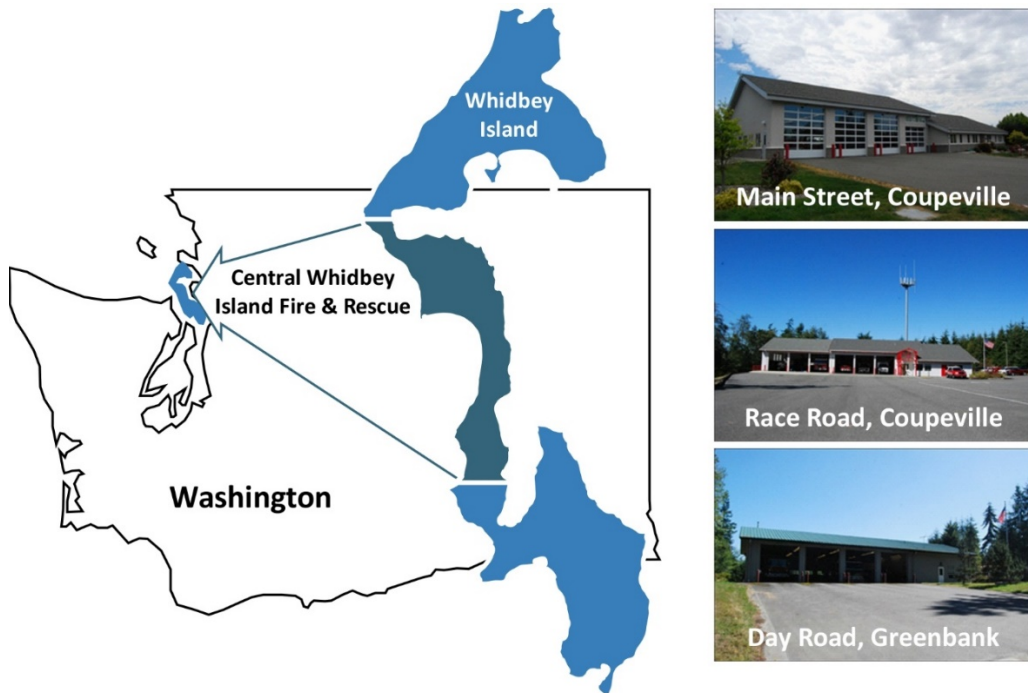
**Government Finance Officers Association**  
**Distinguished Budget Presentation Award**  
**2014 - 2021**

## Central Whidbey Island Fire & Rescue

Central Whidbey Island Fire & Rescue (CWIFR) operates as a legally organized fire protection district under the *Revised Code of Washington (RCW) Title 52* and is governed by a three-member board of fire commissioners, each serving a six-year term. The board establishes policy and provides direction to the fire chief who is responsible for the day-to-day operations and fiscal management of the district. As a fire protection district, CWIFR is a municipal corporation that is independent from Island County and the Town of Coupeville. However, CWIFR provides fire and rescue services to the town as well as unincorporated areas of Island County within the district’s boundaries.

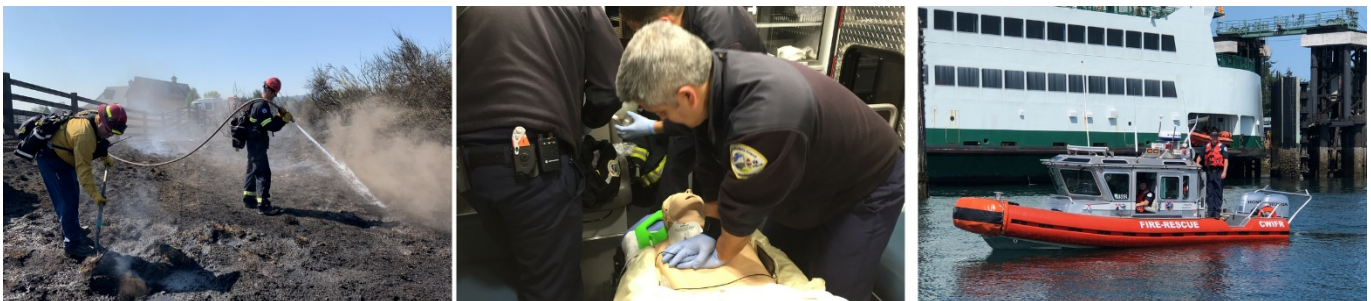
### Service Area

Central Whidbey Island Fire & Rescue (CWIFR) serves an area of 50 square miles and a population of approximately 8,600 from three fire stations. CWIFR’s response stretches from just south of Libbey Road to just north of Mutiny Bay road and spans the breadth of the island.



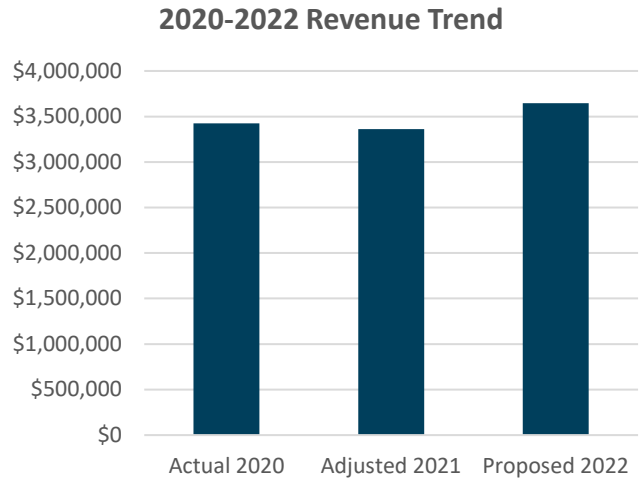
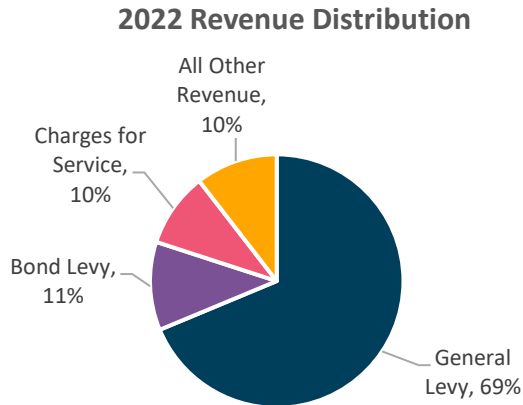
### Services Provided

Central Whidbey Island Fire & Rescue (CWIFR) is an all-hazards service providing fire protection, emergency medical services, hazardous materials response, and rescue services. In addition, the district has moved towards establishing prevention at the core of our service to the community.



## Revenue

The district has two major revenue streams, property taxes from the district’s regular and bond levies and charges for services.



### Property Taxes

The *Washington State Constitution* and related laws strictly limit the amount of property tax that local taxing districts can levy. There are two important property tax limitations for fire districts. Annual increases in property taxes levied are limited to 1%, plus revenue from new construction and fire districts are limited to a maximum regular property tax rate of \$1.50/1,000 of Assessed Value (AV).

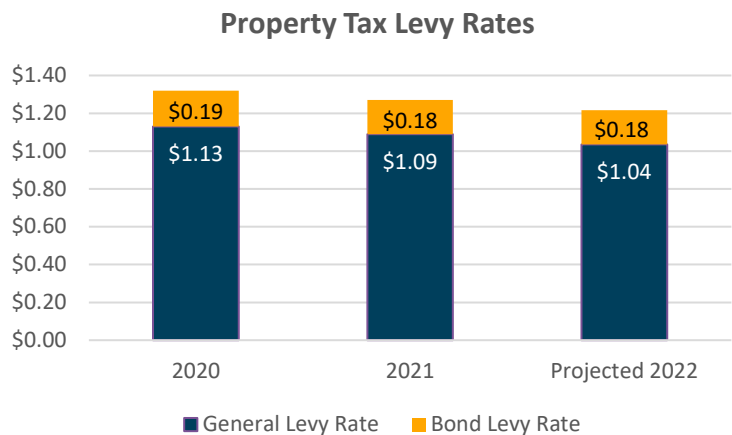
The district has two tax levies, the regular levy and the voter approved bond levy (for specific capital improvements). The district’s levy rates increase or decrease depending on assessed value. As assessed value increases, the levy rate goes down and if assessed value decreases, the levy rate goes up. This provides stable tax revenue. As taxable assessed valuation within the district has been increasing for several years, the district’s levy rates have decreased.

### Charges for Service

CWIFR has an interlocal agreement with WhidbeyHealth Medical Center to staff a basic life support ambulance, agreements with the Town of Coupeville and Island County for fire inspection services, and the State of Washington for all-hazards mobilization and wildfire response.

### Other Revenues

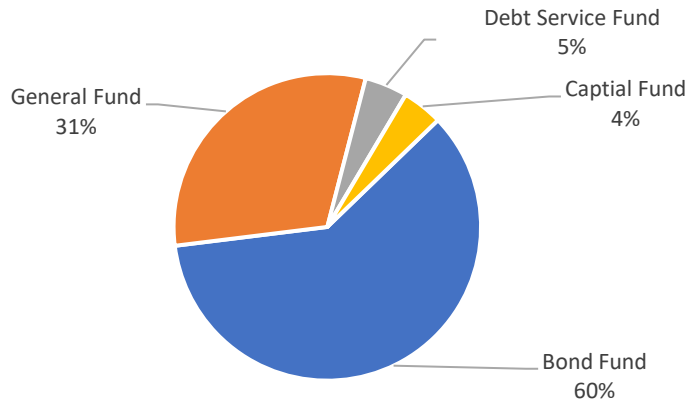
Other revenues include investment interest, space and facilities rental, reimbursement for shared utility cost at Station 51 which is co-owned with WhidbeyHealth and sale of surplus assets.



## Expenditures

CWIFR’s budget is divided into multiple funds, each with a specific purpose. In 2021 the district’s budget is \$9,150,833 inclusive of both operating expenditures (general fund), capital projects (Capital Fund and Bond Fund) and debt service on the bond approved by the voters in 2017.

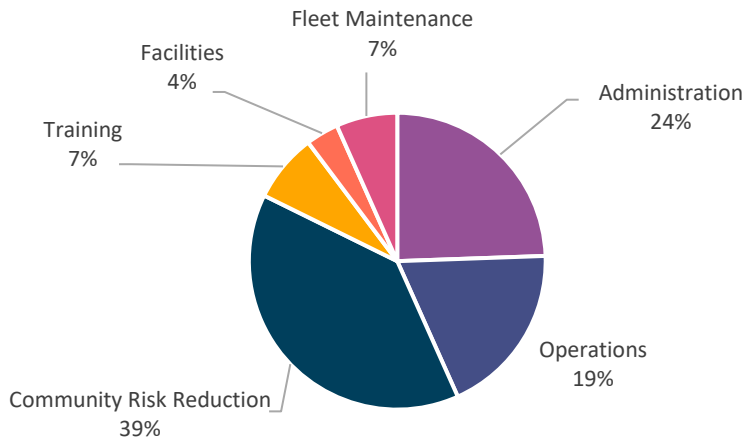
2022 Expense Distribution



## General Fund

The general fund is the district’s principal operating fund. This fund accounts for all current expenditures (e.g., personal services and materials and services) not specifically accounted for in other funds. CWIFR’s general fund budget for 2022 is \$2,835,853.

2022 General Fund Expense Distribution



### Capital Projects Fund

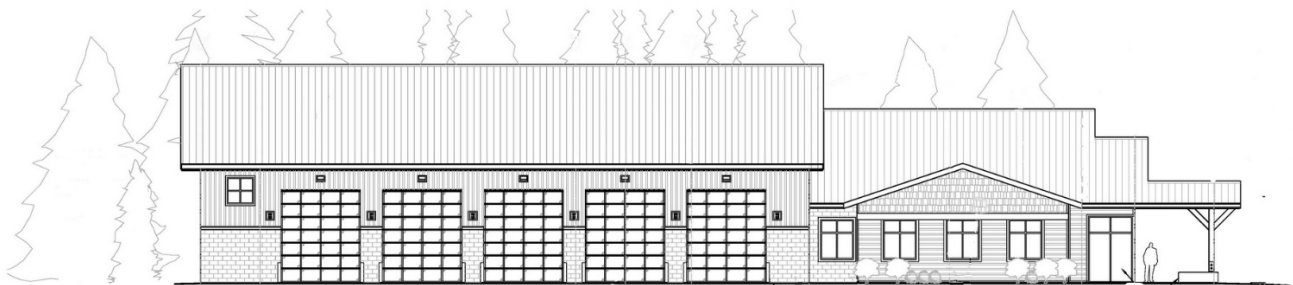
Capital assets are items having a cost greater than \$5,000 and a service life of greater than one year (e.g., major equipment, fire apparatus, and fire stations). Effective capital planning makes sure key assets are repaired or replaced before their end of service life or critical failure. In addition, a sound capital projects plan allows us to engage our community in understanding the costs and benefits of maintaining capital infrastructure.

In 2012 the district established the capital projects fund to increase transparency and accountability of fiscal resources used for capital projects. This fund functions like a savings account to accumulate funds for future capital projects. In 2022, this fund is projected to be 84.76% fully funded for future capital projects and cash flow is sufficient to meet current capital project requirements. Capital projects in 2022 include replacement of the district’s fleet maintenance truck and utility terrain vehicle (UTV), grounds maintenance equipment, and installation of diesel exhaust extraction equipment at Stations 51 (Coupeville) and 54 (Greenbank).

### Bond & Debt Service Fund

In 2017, the district’s voters approved a bond for purchase of three type one fire engines and to renovate and expand the Race Road fire station. Architectural and engineering studies determined that replacing the existing facility would be more cost effective than renovation due to current seismic code requirements. The three fire engines built by Rosenbauer America were delivered in the 4<sup>th</sup> quarter of 2021 the after considerable delay the district anticipates breaking ground on the fire station in 2022. Bond levy tax revenue is deposited in the bond fund and transferred to the debt service fund twice annually for debt service payments on the bond.

#### New Race Road Fire Station



### Compensated Absence Fund

The compensated absence fund is used to manage the district’s liability for payout to employees for accrued compensated absences upon retirement or other separation from employment.

## Budget Summary

General Fund	Actual 2020	Adjusted 2021	Proposed 2022
Beginning General Fund Balance	\$3,082,506	\$3,368,920	\$3,207,556
Operating Revenues	\$2,922,797	\$2,847,174	\$3,132,549
Expenditures	\$2,330,457	\$2,727,956	\$2,835,853
Non-Expenditures	\$490	\$2,000	\$2,000
Net Transfers to/from Other Funds	\$238,347	\$230,883	\$271,726
<b>Total Ending General Fund Balance</b>	<b>\$3,436,009</b>	<b>\$3,255,255</b>	<b>\$3,230,526</b>
<b>Contingency</b>			
Contingency Set Aside	\$168,797	\$235,886	\$283,585
<b>Capital Projects Fund</b>			
Beginning Capital Projects Fund Balance	\$1,822,737	\$1,788,837	\$1,684,864
Miscellaneous Revenue (Investment Interest)	\$15,888	\$3,364	\$20,218
Net Transfers to/from Other Funds	\$210,331	\$210,331	\$157,032
Expenditures	\$260,120	\$317,668	\$389,026
<b>Ending Capital Projects Fund Balance</b>	<b>\$1,788,837</b>	<b>\$1,684,864</b>	<b>\$1,473,088</b>
<b>Bond Fund</b>			
Beginning Bond Fund Balance	\$7,504,114	\$7,426,934	\$5,433,691
Revenue	\$485,642	\$509,782	\$493,105
Net Transfers to the Debt Service Fund	\$510,450	\$401,250	\$411,600
Expenditures	\$52,373	\$2,101,775	\$5,515,196
Ending Bond Fund Balance	\$7,426,934	\$5,433,691	\$0
<b>Debt Service Fund</b>			
Beginning Debt Service Balance	\$2,343	\$127,493	\$4,368
Transfers from the Bond Fund	\$510,450	\$278,125	\$411,600
Expenditures	\$385,300	\$401,250	\$411,600
Ending Debt Service Balance	\$127,493	\$4,368	\$4,368
<b>Compensated Absences Fund</b>			
Beginning Compensated Absences Balance	\$43,808	\$72,238	\$100,289
Revenue	\$414	\$71	\$1,504
Transfers From the General Fund	\$28,016	\$28,016	\$31,837
Expenditures	\$0	\$36	\$50
Ending Compensated Absences Balance	\$72,238	\$100,289	\$133,580
<b>Grants Management Fund</b>			
Beginning Grants Management Balance	\$2	\$15,660	\$0
Transfers from the General Fund (Grants & Match)	\$15,658	\$4,916	\$217,143
Transfers from the Capital Project Fund (Match)	\$0	\$0	\$82,857
Expenditures	\$0	\$20,576	\$300,000
<b>Ending Grants Management Balance</b>	<b>\$15,660</b>	<b>\$0</b>	<b>\$0</b>
<b>All Funds</b>			
<b>Total Ending Balance (All Funds)</b>	<b>\$13,035,968</b>	<b>\$10,714,353</b>	<b>\$5,125,147</b>